GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Eluru Municipal Corporation – Special Purpose Vehicle (SPV) in the name and style of **"Eluru Smart City Corporation Limited"** incorporated under the State Sponsored Smart City Scheme - Development of Eluru Smart City through Swiss Challenge Approach as per APIDE Act, 2001 - Orders-Issued

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.MS.No. 58 **Dated: 08-02-2017**

- **Read:**

G.O.Ms.No.09 Municipal Administration & Urban Development (UBS) Department dated 02.01.2017.

O R D E R:

In the reference read above , Government have issued orders constituting a Special Purpose Vehicle in the name and the style of **"Eluru Smart City Corporation Limited"** under the State Initiative of Smart City Scheme structured on the lines of Government of India Smart City Mission Corporation. The broader objective of the Eluru Smart City initiative is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology. This is in line with the State/ Vision of the positioning itself among the top three (3) States in the Country in terms of Economic Development by 2029. The State intends to brand its Cities through peoples involvement in identifying its own strength and uniqueness which in turn will help in achieving the collective aspirations of the citizens and lead the economy to flourish.

2. Government considered that there is a need for implementation of integrated City infrastructure projects within the ULB jurisdiction, which is possible through selection of a consortium capable of rendering the full range of the services for comprehensive development. The consortium should be led by a strong entity undertaking the responsibility to deliver the integrated package of infrastructure and services with clear roles and proposed equity stake of stakeholders/ consortium members. One of the approaches for selection of a consortium for development Smart Cities could be the Swiss Challenge approach as per the provisions of the Andhra Pradesh Infrastructure Development Enabling (Amendment) Act, 2001 read with Amendments vide Andhra Pradesh Ordinance No.5 of 2016 (the "APIDE Act") for selection of private sector Developer for development of the identified Smart Cities in Andhra Pradesh. The APIDE Act, applies to all infrastructure projects under notified sectors implemented through public private partnerships. Smart Cities projects are notified in "Schedule-III: Sectors" of the APIDE Act. A key feature of the Smart City proposal shall be a detailed Financing Plan for the complete life-cycle of the programme/scheme/projects. The Financing Plan shall identify internal (taxes, rents, licenses and user charges) and external (grants, assigned revenues, loans and borrowings) sources of mobilizing funds for capital investments and operation and maintenance over the lifecycle of the project. The financing plan will provide for sources for repayment of project cost over a period of 10-15 years, O & M cost and also include resource improvement action plan for financial sustainability of the Local Authority. The Financing Plan shall specially focus on convergence of various Central and State Government grants and leveraging the same with non-governmental and open market financing sources, Hybrid Annuity based on feasibility considerations. The Financing Plan shall focus on convergence with on-going schemes such as AMRUT, Swacch Bharat Mission, Digital India, Finance Commission grants, IPDS, Solar City Mission, NUHM and Skill India etc and funding available from various Central Ministries, State Government, Local Body resources and PPP Components wherever possible.

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3.. Government order that the approaches for selection of a consortium for development of Smart Cities shall be the Swiss Challenge approach as per the provisions of the Andhra Pradesh Infrastructure Development Enabling (Amendment) Act, 2001 read with Amendments vide Andhra Pradesh Ordinance No.5 of 2016 (the "APIDE Act") for selection of private sector Developer for development of the identified Smart Cities in Andhra Pradesh.

4. Accordingly, Government hereby accord permission to the Eluru Municipal Corporation to adopt the above Swiss Challenge Approach for selection of Developer for Eluru Smart City and also authorized to undertake the process as per the provisions given in APIDE Act,2001 to consider the proposal / expression of interest submitted by Shapoorji Pallomji Company Limited as unsolicited/ suo-motu proposal which shall include hybrid Annuity model for finances based on feasibility considerations.

5. Government also order that the other Smart City initiatives in Andhra Pradesh may adopt the Swiss Challenge Approach for Development on the lines of Eluru Smart City.

6. The Andhra Pradesh Urban Infrastructure Asset Management Limited shall be the Transaction Advisor as ordered in G.O.Ms.No.9, MA&UD (UBS) Department, dated:02.01.2017.

7. The above orders shall be strictly in accordance with the norms enshrined in Andhra Pradesh Infrastructure Development Enabling (Amendment) Act, 2001 read with Amendments vide Andhra Pradesh Ordinance No.5 of 2016 (the "APIDE Act") and the proposals shall be routed through Urban Infrastructure Promotion Committee (UIPC) and Urban Infrastructure Promotion Board (UIPB) as constituted vide G.O.Ms.No.246, MA&UD (UBS) Department, dated.13.10.2016 and G.O.Ms.No.299, MA&UD (UBS) Department, dated.21.11.2016 respectively for proper scrutiny, appraisal and approval.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Special Officer, Eluru Municipal Corporation, Eluru
The Collector and District Magistrate, Eluru, West Godawari
The Director, Municipal Administration, Gorantla, Guntur.
The Commissioner, Eluru Municipal Corporation.
The CEO, APUIAML, Vijayawada.
Copy to:
The PS to Special Chief Secretary to CM.
The OSD to M(MA&UD)
The P.S. to Principal Secretary to Government
The GA (Cabinet) Department.
Sf/Sc

//FORWARDED BY ORDER//

ASSISTANT DIRECTOR